

**In The Matter Of:**  
*Hodell-Natco Industries, Inc. v.*  
*SAP America, Inc., et al.*

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*Daniel J. Lowery*  
*Vol. 2*  
*February 9, 2012*

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Hodell-Natco Industries, Inc. v.  
SAP America, Inc., et al.

Daniel J. Lowery - Vol. 2  
February 9, 2012

<p style="text-align: right;">Page 190</p> <p>1 case. And Exhibit D to that document is the 2 development agreement between -- between 3 Hodell and IBiS, correct? 4 A. Correct. 5 Q. Dated November 30, 2004? 6 A. Correct. 7 Q. Actually signed December 20, 8 2004, and December 24, 2004, correct? 9 A. Correct. 10 Q. What was the purpose of this 11 document? 12 A. Gain agreement on what Hodell was 13 ordering, price they were to pay, when they 14 were to pay it, couple of checkpoints with 15 dates that said at this point they need to 16 agree to proceed, or get their money back. 17 And basically it was a general document that 18 described the -- the financing of and some 19 time limits for the milestones to be 20 completed. 21 Q. Among other things, this document 22 concerned the purchase of 80 user licenses of 23 SAP Business One by Hodell, correct? 24 A. Correct. 25 MR. STAR: Objection, form.</p>	<p style="text-align: right;">Page 192</p> <p>1 A. 300,000. 2 Q. And Hodell was going to make 3 payments on those licenses in installments of 4 \$60,000, correct? 5 A. Correct. 6 Q. Did Hodell make all the payments? 7 A. They did. Yeah. Except the 8 final -- there is 60,000 that is still open, 9 so I guess the -- 10 Q. There is a final 60,000 due upon 11 successful implementation, correct? 12 A. Right. Correct. 13 Q. When was the -- strike that. 14 There is a section there, says, the 15 intellectual property to the In-Flight code would 16 be given to Hodell in case of default by IBiS or 17 LSi. 18 A. Correct. 19 Q. Do you recall that? 20 A. Yes. 21 Q. Was the In-Flight code ever 22 provided to Hodell? 23 A. Yes. 24 Q. It was? 25 A. Yes, I believe so. When I closed</p>
<p style="text-align: right;">Page 191</p> <p>1 BY MR. LAMBERT: 2 Q. What kind of licenses was Hodell 3 buying? 4 A. I believe it was professional 5 level licenses for SAP Business One. 6 Q. What is the difference between a 7 professional license and a CRM license? 8 A. Professional licenses have more 9 functionality at the user level. 10 Q. What does a CRM license do? 11 A. It's a -- it's more basic. If a 12 user needs to get into report creation, I 13 believe is one of the areas, but again, that's 14 -- that's an area I'm not knowledgeable of. 15 CRM users are less expensive. Pros are more 16 expensive. 17 Q. Do you know who drafted the 18 development agreement, who wrote it up? 19 A. Who wrote this? Well, I guess 20 LSi. 21 Q. Do you recall having an attorney 22 review it or involved with it at all? 23 A. No. 24 Q. What is the purchase price stated 25 for the 80 user licenses of SAP Business One?</p>	<p style="text-align: right;">Page 193</p> <p>1 the practice, they had to have the code. 2 Q. Did LSi -- strike that. 3 Did SAP review this agreement -- 4 A. No. 5 Q. -- before it was signed? 6 A. No. 7 Q. But they were aware of the 8 development of In-Flight at this time, 9 correct? 10 A. Yes. 11 Q. As of December 2004? 12 A. Yes. 13 Q. Do you recall Hodell signing any 14 other documents, contemporaneous with the 15 development agreement, regarding the purchase 16 of 80 user -- 80 Business One user licenses? 17 A. Well, they signed the SAP 18 documents for licenses. Is that what you're 19 asking? 20 Q. Did they sign any documents 21 contemporaneous with this document? 22 A. I think this was it. We gave you 23 -- I mean, unless we gave you another 24 document. Did I give you -- 25 Q. I have not seen one, but I just</p>

Hodell-Natco Industries, Inc. v.  
SAP America, Inc., et al.

Daniel J. Lowery - Vol. 2  
February 9, 2012

<p style="text-align: right;">Page 250</p> <p>1 (Whereupon, Exhibit 57 was marked for 2 identification.) 3 BY MR. LAMBERT: 4 Q. Review Exhibit 57, and let me 5 know when you're finished. 6 A. (Doing as indicated.) Okay. 7 Q. Exhibit 57 is Mr. Woodrum's reply 8 to Kevin Reidl, correct? 9 A. Jon Woodrum, Kevin Reidl, 10 correct. 11 Q. You're copied on that? 12 A. I am. 13 Q. And discussing the go live date, 14 correct? 15 A. Yes. 16 Q. In this email, Mr. Woodrum is 17 expressing his belief that Hodell may be 18 unnecessarily delaying the go live date, 19 correct? 20 A. Okay. Where do you see that? 21 Q. The very first part of the email. 22 A. Okay. So he was giving his 23 opinion, addressing Kevin's last email, but he 24 said no arm twisting, we will do everything we 25 can to satisfy your comfort level and go live</p>	<p style="text-align: right;">Page 252</p> <p>1 email? 2 A. Jon, where are we? I had -- here 3 are some questions. Jon, here are some 4 questions I asked and his answers. Here are 5 some questions I asked and his answers. Who 6 did I ask? Okay. It must have been Kevin, so 7 I must have asked Kevin these questions. That 8 would be my guess. And then what Kevin's 9 responses were. 10 Q. Okay. There is a reference to 11 the second Q&amp;A. 12 A. Okay. 13 Q. How is performance, response 14 time? And the last sentence of the answer -- 15 A. I think it is okay. We're 16 running good in most areas that used to run 17 slow, but there are spots that drag down. I'm 18 not sure if those are big issues to resolve or 19 not. We have not tested on the big database 20 yet, so that will be important. 21 Q. What is the reference to the big 22 database? 23 A. I really don't know. 24 THE WITNESS: Are they supposed to be 25 in order?</p>
<p style="text-align: right;">Page 251</p> <p>1 preference. Our goals are the same. 2 Q. As of January 12, 2007, having 3 been copied on this email, did you agree or 4 disagree that Hodell may be unnecessarily 5 prolonging the go live? 6 MR. HULME: Objection, form. 7 THE WITNESS: Yeah, I had no opinion on 8 it. I was waiting for -- this thing wasn't 9 going live until the customer felt comfortable 10 with what we had done, so to me, this is all 11 back and forth, back and forth. And then when 12 I hear that Hodell was saying, hey, it looks 13 good, let's go, then I'm -- then I start to 14 realize we're going to go live. 15 (Whereupon, Exhibit 58 was marked for 16 identification.) 17 THE WITNESS: Dan to Jon, carbon, okay, 18 to Kevin. Jon, here's some questions. Okay. 19 So this is me saying where are we. Okay. 20 BY MR. LAMBERT: 21 Q. Exhibit 58 is an email from you 22 to Jon and Kevin, dated January 16, 2007, 23 right? 24 A. Correct. 25 Q. What is the purpose of this</p>	<p style="text-align: right;">Page 253</p> <p>1 MR. HULME: Yeah, eventually. I'll 2 take care of them. 3 THE WITNESS: No. No. 4 MR. HULME: Numbered. 5 MR. LAMBERT: Go off the record for a 6 second. 7 (Whereupon, a break was taken from 8 12:14 until 12:47.) 9 MR. LAMBERT: Back on. 10 BY MR. LAMBERT: 11 Q. Mr. Lowery, do you recall -- 12 strike that. 13 Hodell went live around March 8th, 14 2007, correct? 15 A. Correct. 16 Q. Did issues with the performance 17 of Business One arise immediately upon going 18 live? 19 A. Yes. Yes. 20 Q. Do you know what those issues 21 were? 22 A. Well, there was -- again, I'm not 23 the technical guy, but in my mind, there were 24 three issues. One was system freezes, another 25 was memory leaks, and the last was the DI API</p>

Page 254

1 slow. You couldn't get in and out of. So to  
2 process a long order, a Hodell long order,  
3 would take, you know, a long time,  
4 unacceptably long.  
5 Q. What would happen when the system  
6 froze? Let's talk about the first one.  
7 A. What would happen what?  
8 Q. When the system would freeze?  
9 A. Well, again, I'm assuming it's  
10 like your PC locking up, it just -- you got to  
11 reboot and go from there.  
12 Q. Is it a systemwide issue, or was  
13 it an individual user issue?  
14 A. I don't know.  
15 Q. You don't know? Was there --  
16 A. I know it was a big enough issue  
17 where all the lights went on, up into SAP, and  
18 you know, we were sending off problem reports  
19 and all this kind of things, and it was a big  
20 deal.  
21 Q. So you would agree with me that  
22 that was an example of unacceptable  
23 performance by the software, correct?  
24 A. That was a -- ended up being a  
25 Business One problem, yeah. You cannot have

Page 255

1 system freezes and run a business, if that is  
2 what you're asking.  
3 Q. It was -- what is a memory leak?  
4 A. Memory leaks, I think that was  
5 basically the same result, the system locked  
6 up. I mean, Kevin probably can answer these  
7 better than I do, because he was living it.  
8 But the memory leaks issue, again, were  
9 identified, went to Germany, SAP wrote  
10 releases and eventually those were resolved.  
11 Same for the freezes. But that was a very  
12 frustrating, and it complicated, you know,  
13 because then at the same time we're battling  
14 the DI API, so you're ....  
15 Q. Is it your testimony that the  
16 system lockups or freezes were completely  
17 solved?  
18 A. My testimony is what?  
19 Q. Is it your testimony that the --  
20 that the system lockups or freezes that Hodell  
21 experienced were solved?  
22 A. Yes, eventually.  
23 Q. One hundred percent?  
24 A. Yes.  
25 Q. Okay. Explain to me what you

Page 256

1 mean by the DI API was slow?  
2 A. Well, again, going back to the  
3 pipe analogy, it's the data interface and  
4 application program interface. And it simply  
5 wasn't a big enough pipe to allow the data  
6 from In-Flight to update the database within  
7 SAP Business One.  
8 Q. What kind of problems was that  
9 creating?  
10 A. When you hit enter, you sat there  
11 and waited.  
12 Q. Okay. Would you -- would you  
13 agree that was an example of unacceptable  
14 performance by the software, meaning that  
15 Hodell should not have been expected to  
16 tolerate that performance --  
17 A. Yes.  
18 Q. -- correct?  
19 A. I agree to that.  
20 (Whereupon, Exhibit 59 was marked for  
21 identification.)  
22 BY MR. LAMBERT:  
23 Q. Okay. What attempts were made to  
24 resolve those issues?  
25 A. What?

Page 257

1 Q. What attempts were made to  
2 resolve those issues you just -- you just  
3 explained to me?  
4 A. Oh, it was all hands on deck. I  
5 mean, it's a very lengthy answer, but we threw  
6 out the, request SAP, several different  
7 approaches were taken to it. Ralph, or  
8 Dirk Boessmann, was one of the people  
9 coordinating it through the programming labs  
10 over in Germany, I believe, so they were  
11 working on it. Dan Kraus was approaching it  
12 from -- he was pointing the finger at  
13 In-Flight and was trying to prove In-Flight  
14 was at fault. And he brought in another  
15 partner to review our code, company called  
16 Apollo, so he and I structured up an agreement  
17 that if they found something, I would pay for  
18 Apollo's time. And if they didn't, he would  
19 pay for Apollo's time. They found nothing.  
20 Actually ended up complimenting us on our  
21 programming.  
22 Another complication at that point,  
23 Dan Kraus was not satisfied. Now he wanted  
24 all of our code to go to Apollo, and I started  
25 smelling something wrong there, and I said no.

Hodell-Natco Industries, Inc. v.  
SAP America, Inc., et al.

Daniel J. Lowery - Vol. 2  
February 9, 2012

<p style="text-align: right;">Page 266</p> <p>1 Q. What was discussed on that call?</p> <p>2 A. The implementation it seems.</p> <p>3 Well, if Radio Beacon was on there, I'm sure</p> <p>4 it was about Radio Beacon. Paul Killingsworth</p> <p>5 was on there. Paula Hendley, whoever that is.</p> <p>6 I don't know who that is. And at LSi, we had</p> <p>7 everybody. Avery will send you a recap with</p> <p>8 the plan, so we must have been -- I don't know</p> <p>9 specifically. Everyone's in the boat. Radio</p> <p>10 Beacon and SAP are anxious to resolve and are</p> <p>11 supplying great people.</p> <p>12 Q. You don't recall who Paula</p> <p>13 Hendley was?</p> <p>14 A. I don't.</p> <p>15 Q. So your testimony, or would you</p> <p>16 agree with me that the installation and</p> <p>17 operation of the SAP Business One software at</p> <p>18 Hodell was a failure, correct?</p> <p>19 MR. STAR: Objection to form.</p> <p>20 THE WITNESS: No. I mean, they ran</p> <p>21 their business on it for two years.</p> <p>22 BY MR. LAMBERT:</p> <p>23 Q. You would agree with me it did</p> <p>24 not work as it was supposed to work, correct?</p> <p>25 MR. HULME: You mean at -- what point</p>	<p style="text-align: right;">Page 268</p> <p>1 A. They weren't going to fix the</p> <p>2 problem. They had to find something else to</p> <p>3 blame it on. I mean, we have documentation</p> <p>4 that SAP is not going to fix the problem.</p> <p>5 Probably the most legitimate one is from Miki</p> <p>6 Zilberstein.</p> <p>7 (Whereupon, Exhibit 61 was marked for</p> <p>8 identification.)</p> <p>9 THE WITNESS: Where we at here?</p> <p>10 September of 2007. Okay. Okay.</p> <p>11 MR. LAMBERT: What number is that?</p> <p>12 THE WITNESS: Sixty-one.</p> <p>13 BY MR. LAMBERT:</p> <p>14 Q. Have you reviewed Exhibit 61?</p> <p>15 A. Have I, yeah. I'm on it right</p> <p>16 now. I have seen it, right here.</p> <p>17 Q. What is -- what is Exhibit 61?</p> <p>18 A. It looks like it's a -- a message</p> <p>19 guide for field sales and partners.</p> <p>20 Q. Well, on the front, what is it?</p> <p>21 A. Pardon me?</p> <p>22 Q. It's an email from you to --</p> <p>23 A. Oh, it's an email from me to</p> <p>24 Kevin with an attachment, copying Otto. This</p> <p>25 was what is announced today, so on</p>
<p style="text-align: right;">Page 267</p> <p>1 in time are you talking about?</p> <p>2 THE WITNESS: Yeah.</p> <p>3 BY MR. LAMBERT:</p> <p>4 Q. Ever?</p> <p>5 A. Ever?</p> <p>6 Q. Right.</p> <p>7 A. Okay. Are you talking about SBO</p> <p>8 or In-Flight?</p> <p>9 Q. I'm talking about SAP Business</p> <p>10 One.</p> <p>11 A. I agree that the SAP Business One</p> <p>12 DI API problems were unacceptable.</p> <p>13 Q. And they were never fixed, right?</p> <p>14 A. Not to -- no. No.</p> <p>15 Q. When did the number of users on</p> <p>16 the SAP Business One system start being</p> <p>17 discussed between you and -- and SAP?</p> <p>18 A. As being a problem?</p> <p>19 Q. Yes.</p> <p>20 A. Oh, probably shortly after go</p> <p>21 live.</p> <p>22 Q. And why did it come up?</p> <p>23 A. In my opinion, it was a way for</p> <p>24 Kraus and Sotnick to run for cover.</p> <p>25 Q. Well, in what regard?</p>	<p style="text-align: right;">Page 269</p> <p>1 September 19th, 2007.</p> <p>2 Q. Why were you sending it to Otto</p> <p>3 and Kevin?</p> <p>4 A. Well, let's see. What does it</p> <p>5 say? Okay. My guess would be to let them</p> <p>6 know the new typical number of employees that</p> <p>7 they are recommending SAP Business One be sold</p> <p>8 into, which would be under 100, 10 to 100</p> <p>9 employees, fewer than 50 users. And this came</p> <p>10 out September 2007. So this -- SAP at this</p> <p>11 point was trying to prevent future Hodells</p> <p>12 from happening.</p> <p>13 Q. Okay. My question was, why did</p> <p>14 you send it to Otto and Kevin in September of</p> <p>15 2007?</p> <p>16 A. The kimono is open. I mean, they</p> <p>17 -- if I felt this was significant to know,</p> <p>18 they should have felt this was significant to</p> <p>19 know.</p> <p>20 Q. Okay.</p> <p>21 A. I found it interesting. I'm sure</p> <p>22 they found it interesting.</p> <p>23 Q. If you turn to the first page of</p> <p>24 that document, it's called a message guide for</p> <p>25 field sales partners --</p>



Hodell-Natco Industries, Inc. v.  
SAP America, Inc., et al.

Daniel J. Lowery - Vol. 2  
February 9, 2012

Page 306

1 THE WITNESS: This implies there is a  
2 fix on the way coming out of you.  
3 Okay. I don't even know what your  
4 question was, but -- what was it?  
5 BY MR. LAMBERT:  
6 Q. There is no question pending.  
7 MR. LAMBERT: Off the record.  
8 (Whereupon, at 2:02, an off-the-record  
9 discussion was held.)  
10 THE REPORTER: Do you want signature?  
11 MR. HULME: We'll read it.  
12 THE REPORTER: Does everybody still want  
13 copies of everything?  
14 MR. STAR: Yeah, please.  
15 MR. HULME: Yes.  
16 MR. LAMBERT: Yes.  
17 (Whereupon, at 2:03, the deposition was  
18 continued until a later date.)  
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Page 307

1 E R R A T A S H E E T  
2  
3 WITNESS: DANIEL J. LOWERY  
4 DATE: February 9, 2012  
5 CASE: HODELL-NATCO INDUSTRIES, INC. vs. SAP AMERICA, INC., et  
6 al.  
7 After you have read your transcript, please note any  
8 errors in transcription on this page. Do not mark on the  
9 transcript itself. Please sign and date this sheet as  
10 indicated below. If additional lines are required for  
11 corrections, attach additional sheets. If no corrections,  
12 please indicate "None."  
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DATED: \_\_\_\_\_

DANIEL J. LOWERY

Page 308

1 UNITED STATES DISTRICT COURT  
2 NORTHERN DISTRICT OF OHIO  
3 EASTERN DIVISION  
4 HODELL-NATCO INDUSTRIES, ) Case No. 1:08 CV 2755  
5 INC., Plaintiff, )  
6 vs. ) Judge: Lesley Wells  
7 SAP AMERICA, INC., et al., ) Magistrate Judge:  
8 Defendants. ) Greg White  
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SIGNATURE SHEET  
DEPOSITION OF DANIEL J. LOWERY

I do hereby acknowledge that the above and foregoing deposition has been submitted to me. I have carefully read the same, and it correctly portrays the answers given by me, except as may be otherwise noted on the errata sheet(s) attached hereto.

DANIEL J. LOWERY

Dated: \_\_\_\_\_

Page 309

1 CERTIFICATE OF THE REPORTER  
2 I, Angela A. O'Neill, a Registered Professional  
3 Reporter and Notary Public, authorized to administer oaths and to  
4 take and certify depositions, do hereby certify that the  
5 above-named witness was by me, before the giving of their  
6 deposition, first duly sworn to testify the truth, the whole  
7 truth, and nothing but the truth to questions propounded at the  
8 taking of the foregoing deposition in a cause now pending and  
9 undetermined in said court.  
10  
11 I further certify that the deposition above-set forth  
12 was reduced to writing by me by means of machine shorthand and was  
13 later transcribed from my original shorthand notes; that this is a  
14 true record of the testimony given by the witness; and that said  
15 deposition was taken at the aforementioned time, date, and place,  
16 pursuant to notice or stipulations of counsel.  
17  
18 IN WITNESS WHEREOF, I have set my hand and seal this  
19 17th day of February, 2012.  
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*Angela A. O'Neill*

Angela A. O'Neill, RPR  
My Commission Expires: Aug. 10, 2012

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*Hodell-Natco Industries, Inc. v.*  
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*Daniel J. Lowery*  
*Vol. 3*  
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Hodell-Natco Industries, Inc. v.  
SAP America, Inc., et al.

Daniel J. Lowery - Vol. 3  
March 7, 2012

Page 408	Page 408
<p>1 discussion today is to be treated as 2 confidential within the partnership agreement? 3 A. I don't -- I don't recall what 4 that refers to. 5 MR. STAR: Objection to form. 6 BY MR. LAMBERT: 7 Q. You don't recall what 8 information -- 9 A. What he's -- I don't know what 10 he's talking about there. 11 Q. Okay. And then you reply, that 12 same day, you've never seen a customer try 13 harder to make something work than Hodell had, 14 correct? 15 A. Correct. 16 Q. You would agree with me that 17 Hodell did everything in their power to make 18 the installation of Business One work? 19 A. I do. 20 Q. And yes, I will keep what we 21 discussed today private, correct? 22 A. Correct. 23 Q. But you don't recall what that 24 was? 25 A. I don't. I mean, it must have</p>	<p>1 been. 2 Q. Could that have been the 3 information he was asking you to keep 4 confidential? 5 A. Possibly. He wanted the whole 6 conversation kept confidential. I guess that 7 could have been it. Yeah, I guess so. 8 Q. Did Sotnick say where he'd gotten 9 the information from that the DI API was the 10 problem? 11 MR. STAR: Objection to form. 12 THE WITNESS: I don't recall. But when 13 I wrote this letter, someone at SAP told me 14 that they weren't going to rewrite to fix it, 15 and they were admitting the DI API was the 16 problem, and that had to come from that 17 conversation with Sotnick. 18 (Whereupon, Exhibit 106 was marked for 19 identification.) 20 MR. LAMBERT: Greg, 106 is SAP872. 21 MR. STAR: Wes, before you go on to 22 that, I mean, we -- we had this issue the last 23 time when you were questioning Dan, which is 24 that a lot of the documents that you show him 25 are only partial pieces of an email chain.</p>
Page 407	Page 409
<p>1 been some general -- later on in that email, 2 I'm referring to -- okay. Must be about -- he 3 must have had the idea of trying to get Hodell 4 to move to All-in-One, and he wanted to 5 present that to Hodell, not me. So my 6 question was, is how is everybody going to get 7 reimbursed, and how am I going to get my 60 8 grand that I was stiffed on, and da, da, da, 9 da, da, da, da, so .... 10 Q. Well, the third paragraph of that 11 email references, or you make the statement, 12 "Hearing the DI API is the problem gives us a 13 personal satisfaction, as we have been saying 14 that for months. But knowing that, and that 15 SAP will not rewrite to fix it, leaves me more 16 confused than ever where we can sell." 17 Correct? 18 A. Correct. 19 Q. Who had told you that the DI API 20 was the problem? 21 A. Apparently Sotnick. 22 MR. STAR: Objection to form. 23 BY MR. LAMBERT: 24 Q. Sotnick had said that? 25 A. Sotnick, yeah. It must have</p>	<p>1 And then we're marking multiple exhibits, 2 which are the same emails, with the full 3 chain. And -- and the problem, of course, 4 that we come up with is the testimony that is 5 given on the record, it is unusable, because 6 the witness is -- is speculating, having not 7 had a chance to see the full email chain. So 8 I -- I just throw that out there. If you want 9 to continue in this fashion, you can, but I 10 think it leaves us with a -- a transcript that 11 is not usable in a lot of ways, but go ahead. 12 MR. LAMBERT: Well, I have tried to fix 13 that. Is this -- is the email we just 14 questioned him about not the complete string? 15 MR. STAR: It is not. There is a response 16 from Sotnick that refutes entirely what Mr. Lowery 17 says here, but you -- go ahead. 18 MR. LAMBERT: Okay. The other problem is 19 that there is several long email chains in here, 20 and they're -- and depending who was forwarded 21 what, they differ somewhat, so it's kind of 22 difficult to know which one to use, but you know, 23 we're doing our best. 24 MR. HULME: You didn't ask him any 25 questions about 106, did you?</p>



Page 494

1 (Whereupon, the deposition was  
2 continued until the following morning.)  
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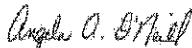
Page 495

## CERTIFICATE OF THE REPORTER

1 I, Angela A. O'Neill, a Registered Professional  
2 Reporter and Notary Public, authorized to administer oaths and to  
3 take and certify depositions, do hereby certify that the  
4 above-named witness was by me, before the giving of their  
5 deposition, first duly sworn to testify the truth, the whole  
6 truth, and nothing but the truth to questions propounded at the  
7 taking of the foregoing deposition in a cause now pending and  
8 undetermined in said court.  
9

10 I further certify that the deposition above-set forth  
11 was reduced to writing by me by means of machine shorthand and was  
12 later transcribed from my original shorthand notes; that this is a  
13 true record of the testimony given by the witness; and that said  
14 deposition was taken at the aforementioned time, date, and place,  
15 pursuant to notice or stipulations of counsel.

16 IN WITNESS WHEREOF, I have set my hand and seal this  
17 18th day of March, 2012.



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19  
20 Angela A. O'Neill, RPR  
My Commission Expires: Aug. 10, 2012  
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*Hodell-Natco Industries, Inc. v.*  
*SAP America, Inc., et al.*

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*Daniel J. Lowery*  
*Vol. 4*  
*March 8, 2012*

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*Min-U-Script® with Word Index*

Hodell-Natco Industries, Inc. v.  
SAP America, Inc., et al.

Daniel J. Lowery - Vol. 4  
March 8, 2012

Page 832

1 BY MR. LAMBERT:  
2 Q. Did not?  
3 MR. HULME: What is the question?  
4 THE WITNESS: It's my understanding --  
5 BY MR. LAMBERT:  
6 Q. I got it backwards.  
7 A. -- that Hodell did not do what?  
8 Q. You keep making reference to 100  
9 licenses, 80 that Hodell purchased and 20 that  
10 were given by SAP. And my question is, are  
11 you disregarding the 40 that it referenced on  
12 Exhibit 155?  
13 A. All right. I don't quite  
14 understand Exhibit 155, is what I guess I'm  
15 saying.  
16 Q. Okay.  
17 A. They got 80, and they paid for  
18 80. And then later on, after go live, they  
19 got another 20 from Hodell, or from SAP.  
20 Q. For free?  
21 A. For free. I guess. I was not  
22 involved in that.  
23 Q. So you don't have any knowledge  
24 of the 40 CRM user licenses --  
25 A. I really don't.

Page 833

1 Q. -- referenced in Exhibit 155?  
2 A. I don't. And that's why I asked,  
3 wasn't -- I don't know for sure, but I kind of  
4 remember somebody asking me a question about  
5 Otto wanting a year-end tax thing or  
6 something.  
7 Q. You don't know for sure --  
8 A. I don't know for sure.  
9 Q. -- what that was for?  
10 A. I don't know for sure.  
11 Q. Okay.  
12 A. All I know for sure is they had  
13 80 and then 20.  
14 Q. You made several statements today  
15 and yesterday that Hodell was running its  
16 business on Business One, correct?  
17 A. Correct.  
18 Q. Are you suggesting that in any  
19 way it's inappropriate for Hodell to  
20 eventually decide to abandon the Business One  
21 In-Flight software and move to a different  
22 package?  
23 A. Do I feel it's inappropriate for  
24 them to abandon it?  
25 Q. Well, is that what you're

Page 834

1 suggesting when you say that they were running  
2 their business on it?  
3 A. No. What I was suggesting is is  
4 we delivered our part of that contract.  
5 Q. Which was?  
6 A. In-Flight integrated into SAP  
7 Business One.  
8 Q. You don't feel any responsibility  
9 for the fact that Business One itself didn't  
10 work?  
11 MR. STAR: Objection to form.  
12 THE WITNESS: That was outside of our  
13 control. We had no access to the source code  
14 of Business One. And we tried everything  
15 humanly possible to -- to get it resolved.  
16 BY MR. LAMBERT:  
17 Q. Well, In-Flight was only useful  
18 to the extent that it was incorporated into  
19 Business One, correct?  
20 A. In-Flight --  
21 Q. Had no usefulness to Hodell on  
22 its own, correct?  
23 A. Without SAP?  
24 Q. Right.  
25 A. Correct.

Page 835

1 Q. So that if Hodell wasn't running  
2 its business, could not run its business on  
3 Business One, In-Flight, in fact, would not  
4 deliver what was promised, correct?  
5 MR. STAR: Objection.  
6 THE WITNESS: In-Flight -- In-Flight  
7 was what?  
8 BY MR. LAMBERT:  
9 Q. Hodell -- if you agree with me  
10 that Hodell could not run its business on  
11 Business One as it functioned, which I think  
12 we're in agreement on, correct?  
13 MR. HULME: Objection, form.  
14 THE WITNESS: I don't understand it.  
15 BY MR. LAMBERT:  
16 Q. Do you agree with me that the  
17 performance of Business One was unacceptable  
18 at Hodell-Natco?  
19 A. I do.  
20 Q. Okay. Do you agree with me that  
21 Hodell-Natco had every right eventually to  
22 abandon Business One and move to a different  
23 software package?  
24 A. Sure.  
25 Q. Okay. I don't have anything

## 1 CERTIFICATE OF THE REPORTER

2 I, Angela A. O'Neill, a Registered Professional  
3 Reporter and Notary Public, authorized to administer oaths and to  
4 take and certify depositions, do hereby certify that the  
5 above-named witness was by me, before the giving of their  
6 deposition, first duly sworn to testify the truth, the whole  
7 truth, and nothing but the truth to questions propounded at the  
8 taking of the foregoing deposition in a cause now pending and  
9 undetermined in said court.

10 I further certify that the deposition above-set forth  
11 was reduced to writing by me by means of machine shorthand and was  
12 later transcribed from my original shorthand notes; that this is a  
13 true record of the testimony given by the witness; and that said  
14 deposition was taken at the aforementioned time, date, and place,  
15 pursuant to notice or stipulations of counsel.

16 IN WITNESS WHEREOF, I have set my hand and seal this  
17 19th day of March, 2012.

*Angela A. O'Neill*

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19  
20 Angela A. O'Neill, RPR  
My Commission Expires: Aug. 10, 2012  
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22  
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24  
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